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August 30, 2001

Mr. Gene DeJordy 3650 - 131<sup>st</sup> Ave. SE Suite 400 Bellevue, WA 98006

Re: Proposed Application and Stipulation

Dear Mr. DeJordy:

As I indicated to you during our last telephone call, Geoff Feiss and I walked our members through your documents and summarized our face-to-face discussions here in Helena. I have received responses from my members. I am assuming Geoff will communicate with you directly regarding his members' responses.

While we appreciate your efforts to narrow the issues, we are not willing to concede that you can offer the supported services throughout our study areas. Nor are we willing to narrow the public interest inquiry in advance of the ultimate hearing of this issue. Not only is our view of the public interest broader than the questions identified in your proposed application and stipulation, but we also anticipate that new areas of public interest may become apparent during the discovery process.

We would envision that a renewed application in Montana by your company would follow much the same procedure as the first application. Frankly, from MITS standpoint, we would anticipate significantly more discovery, rather than less. Our discussions with PSC staff indicate that they are likely to support a proceeding much like the earlier proceeding as well.

Thank you for meeting with us to discuss your concerns. While we were not able to agree to your proposal, we appreciate your willingness to engage in a dialogue on the issues.

Sincerely,

Michael C. Strand

Executive Vice President & General Counsel

**MITS** 

P.O. Box 5237, 2021 11th Avenue, Suite 12, Helena, MT 59604-55237 Phone: (406) 443-1940 / Fax: (406) 443-2880

E-mail: mits@ixi.net